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AUG 22 2007

U.S. PATENT & TRADEMARK OFFICE

REPORT ON THE
FILING OR DETERMINATION OF AN
ACTION REGARDING A PATENT OR
TRADEMARK

In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
 filed in the U.S. District Court Northern District of California on the following ☒ Patents or ☐ Trademarks:

DOCKET NO. CV 07-04209 PVT	DATE FILED 8/20/7	U.S. DISTRICT COURT 280 South First Street, Rm 2112, San Jose, CA 95113
PLAINTIFF MACROVISION CORP		DEFENDANT MOTOROLA INC
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 5,315,448		SEE ATTACHED COMPLAINT
2 5,583,936		
3 6,381,747 ⁸¹		
4 6,516,132 ⁸¹		
5 6,836,549		

In the above—entitled case, the following patent(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading		
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK	
1 7,050,698			
2 7,085,380			
3			
4			
5			

In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK Richard W. Wiekling	(BY) DEPUTY CLERK Betty Walton	DATE August 20, 2007
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Copy 1—Upon Initiation of action, mail this copy to Commissioner Copy 3—Upon termination of action, mail this copy to Commissioner
 Copy 2—Upon filing document adding patent(s), mail this copy to Commissioner Copy 4—Case file copy

35. As a proximate result of Motorola's acts of infringement, Macrovision has been damaged in an amount not yet determined, and has been irreparably injured by these infringing activities, and Macrovision will continue to be damaged by such acts in the future unless Motorola's infringing activities are enjoined by this Court.

36. Macrovision is informed and believes, and on that basis alleges, that Motorola's infringement of the Macrovision Patents has been, and continues to be, willful and deliberate.

WHEREFORE, Macrovision prays for damages and judgment as set forth below.

SECOND CAUSE OF ACTION

(Breach of Written Contract)

37. Macrovision realleges and incorporates by reference the allegations in Paragraphs 1 through 36 above, as though fully set forth herein.

38. Pursuant to the Motorola License Agreement, Motorola owes a royalty to Macrovision of sixty cents (\$.60) for each unit sold, shipped or otherwise distributed by Motorola incorporating Macrovision's Anti-Copy Technology and to accurately report the sales of all Products under the Motorola License Agreement.

39. Macrovision has performed each and every condition, covenant and obligation to be performed on its part, pursuant to the terms of the Motorola License Agreement, except as waived or excused by Motorola, and/or waived or excused by Motorola's breaches of the Agreement.

40. Macrovision has not excused, waived or otherwise released Motorola from its obligations under the Agreement.

41. Motorola has failed and refused, and continues to fail and refuse to tender its performance as required by the Agreement, in particular, for failing to provide timely and accurate quarterly reports of sales of Products and failing to pay royalty fees due and owing to Macrovision for the sale of Products from July 1, 2006 to the present, in a sum in excess of \$9,000,000.00.

42. Motorola's breaches of the Agreement are material and without excuse or justification.

43. As a direct and proximate result of Motorola's breaches of the Agreement described

herein, Macrovision has sustained damages for breach of contract in the sums stated above in an amount of approximately \$9,000,000.00 and on going, plus interest of 18% per annum as provided in the Motorola License Agreement, plus attorneys' fees and costs.

WHEREFORE, Macrovision prays for damages and judgment as set forth below.

THIRD CAUSE OF ACTION

(Declaratory Relief)

44. Macrovision realleges and incorporates by reference the allegations in the foregoing paragraphs 1 to 43, as though set forth here in full.

45. An actual and present controversy exists concerning the legal rights and duties of Macrovision and Motorola with respect to the Motorola License Agreement, specifically whether Motorola owes past due and ongoing royalties under the License Agreement, and the amount of such royalties. Macrovision contends that Motorola has materially breached the Motorola License Agreement and that Motorola owes past due and ongoing royalties for the same, along with interest, and Motorola disputes Macrovision's contentions.

46. An actual controversy has arisen between the parties regarding the Motorola License Agreement. A declaratory judgment in this case is necessary and proper as such a judgment would clarify the parties' rights and obligations and eliminate the uncertainty that has been generated with respect to the parties' rights and obligations under the Motorola License Agreement.

47. Accordingly, Macrovision requests that this Court make the following judicial declarations: (1) the Motorola License Agreement is enforceable; (2) Motorola has materially breached the terms and conditions of the Motorola License Agreement; (3) Macrovision has provided the requisite notice and opportunity to cure; (4) Motorola has failed to cure its material breaches, and (5) Motorola owes Macrovision damages for such breaches.

WHEREFORE, Macrovision prays for damages and judgment as set forth below.

1 **FOURTH CAUSE OF ACTION**

2 **(Injunctive Relief)**

3 48. Macrovision incorporates and realleges herein the allegation in Paragraphs 1
4 through 47 as if set forth in full.

5 49. Pursuant to the terms of the Motorola License Agreement, upon termination due to a
6 material breach by Motorola, Motorola must immediately cease the manufacture and distribution of
7 all products defined in the agreement.

8 50. The Motorola License Agreement further provides that upon termination due to a
9 material breach by Motorola, Macrovision will be entitled to seek injunctive relief and/or right of
10 possession to enforce its rights under the provision referenced herein, without the necessity of
11 posting a bond or other security. On information and belief, Motorola continues to ship, sell or
12 otherwise distribute products covered by the Motorola License Agreement, including by
13 incorporating Macrovision-enabled integrated circuits into set top boxes.

14 51. Pursuant to the Motorola License Agreement, Motorola acknowledged and agreed
15 that if it breached the Motorola License Agreement, which it has, as a result of such breach
16 Macrovision may be irreparably harmed and may not have an adequate remedy at law.

17 52. Motorola has materially breached the terms of the Motorola License Agreement as
18 described herein and has failed to cure such breaches despite written notice by Macrovision.

19 53. Macrovision has been irreparably harmed by the activities of Motorola as described
20 herein, has no adequate remedy at law upon the termination of the Motorola License Agreement,
21 and will continue to suffer irreparable harm unless the activities of Motorola are enjoined.

22 54. In addition, as a proximate result of Motorola's acts of patent infringement
23 described herein, Macrovision has been damaged in an amount not yet determined, and has been
24 irreparably injured by these infringing activities, and Macrovision will continue to be damaged by
25 such acts in the future unless Motorola's infringing activities are enjoined by this Court.

26 55. Macrovision requests a preliminary and permanent injunction from the Court upon a
27 determination that the Motorola License Agreement is terminated enjoining Motorola from (1)

1 incorporating Macrovision-enabled integrated circuits into step stop boxes, and (2) shipping,
2 selling, or otherwise distributing such set top boxes.

3 56. Macrovision also seeks a finding that Motorola, its officers, agents, servants,
4 employees, and attorneys, and all those in active concert or participation with it who receive actual
5 notice of an order, be preliminarily and permanently enjoined from further infringement of each of
6 the Macrovision Patents

7 WHEREFORE, Macrovision prays for damages and judgment as set forth below.

8 **PRAYER FOR DAMAGES AND RELIEF**

9 As a result of the Motorola's wrongful conduct as alleged herein, Macrovision prays for
10 judgment against Defendant as follows:

- 11 A. That Motorola be declared to have infringed, induced, and/or contributed to the
12 infringement of one or more claims of each of the Macrovision Patents.
- 13 B. That Motorola, its officers, agents, servants, employees, and attorneys, and all those
14 in active concert or participation with it who receive actual notice of an order, be
15 preliminarily and permanently enjoined from further infringement of each of the
16 Macrovision Patents.
- 17 C. That Motorola be ordered to account for and pay to Macrovision all damages caused
18 to Motorola by reason of its infringement of the Macrovision Patents, and/or as a
19 result of Motorola's material breach of the Motorola License Agreement.
- 20 D. That the damages for which Motorola are liable to Macrovision include, but not be
21 limited to, no less than a reasonable royalty, lost profits, price erosion damages,
22 and/or any and all consequential and/or "convoyed sales," such damages caused to
23 Macrovision by virtue of Motorola's infringement of the Macrovision Patents.
- 24 E. That appropriate damages be trebled pursuant to 35 U.S.C. § 284 by reason of
25 Motorola's deliberate and willful infringement of the Macrovision Patents.
- 26 F. That Macrovision be granted prejudgment and post judgment interest on the
27 damages caused to it by reason of Motorola's infringement of the Macrovision
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1 Patents.

- 2 G. That this case be declared an exceptional case pursuant to 35 U.S.C. § 285 in view
3 of the deliberate and willful nature of the infringement by Motorola and that
4 Macrovision accordingly be awarded its reasonable attorneys' fees.
- 5 H. That this Court award Macrovision all compensatory, special, and incidental
6 damages directly and proximately resulting from Defendant's wrongful acts;
- 7 I. For an accounting and payment of royalties in an amount to be determined at trial;
- 8 J. For an award of reasonable attorneys' fees incurred in this action;
- 9 K. For an award of Macrovision full costs and expenses incurred in this action;
- 10 L. For awardable interest at the contract rate of 18%;
- 11 M. For a preliminary and permanent injunction enjoining Defendant from (1)
12 incorporating Macrovision-enabled integrated circuits into set top boxes; and (2)
13 shipping, selling or otherwise distributing such set top boxes; and
- 14 N. For such other and further relief as the nature of this action may require and/or that
15 the Court deems just and proper.

16 Dated: August 16, 2007

KRIEG, KELLER, SLOAN, REILLEY & ROMAN LLP

17
18 By: 

KENNETH E. KELLER
Attorneys for Plaintiff
MACROVISION CORPORATION

20
21 **DEMAND FOR JURY TRIAL**

22 Demand is hereby made for trial by jury on all issues triable to a jury.

23 Dated: August 16, 2007

KRIEG, KELLER, SLOAN, REILLEY & ROMAN LLP

24
25 By: 

KENNETH E. KELLER
Attorneys for Plaintiff
MACROVISION CORPORATION

ORIGINAL
FILED

AUG 16 2007

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

PVT

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

MACROVISION CORPORATION, a
Delaware corporation,

Plaintiff,

v.

MOTOROLA INCORPORATED, a
Delaware corporation,

Defendant.

Case No.: **C 07 4209**

**COMPLAINT FOR PATENT
INFRINGEMENT, BREACH OF
CONTRACT, DECLARATORY RELIEF
AND INJUNCTIVE RELIEF**

JURY TRIAL DEMANDED

Plaintiff MACROVISION CORPORATION, for its Complaint against defendant
MOTOROLA INCORPORATED, alleges as follows:

THE PARTIES

1. Plaintiff Macrovision Corporation (where appropriate "Macrovision" or "Plaintiff")
is a Delaware corporation having its principal place of business in Santa Clara, California and with
an office of business in San Francisco, California at all relevant times. Macrovision has been the
owner of anti-copy technology, which may be used to protect video material from unauthorized
copying, including in connection with pay-per-view program transmissions.

1 including the anti-copy technology licensed by Macrovision to Motorola ("the Macrovision Anti-
2 Copy Technology") pursuant to the agreement described herein.

3 7. Over the years, Macrovision has been granted many patents covering its anti-copy
4 technology, as described more fully herein.

5 8. Macrovision is informed and believes and thereon alleges that at all times relevant
6 herein, Motorola has been and continues to be engaged in the business of providing integrated,
7 end-to-end systems that deliver digital entertainment, information, and communications services
8 over a variety of wired and wireless broadband network architectures.

9 9. On information and belief, General Instrument Corporation ("GI") was formerly a
10 Delaware corporation having principal place of business in San Diego, California.

11 The Macrovision - GI Relationship

12 10. On or about June 4, 1991, Macrovision and GI entered into a license agreement (the
13 "GI License Agreement") by which GI was licensed to use the Macrovision Anti-Copy
14 Technology. As part of that agreement, Macrovision licensed GI to make, use, and sell products
15 covered by the Macrovision Anti-Copy Technology.

16 11. The GI License Agreement provided that it would automatically and immediately
17 terminate upon expiration of certain patents referenced in the GI License Agreement. When the
18 last of those patents expired, which occurred in 2006, the GI License Agreement terminated.

19 12. Prior to 2000, Motorola and GI were competitors in the sale of pay-per-view
20 products that incorporate anti-copy technology. In or about January of 2000, Motorola acquired
21 GI, and GI became a wholly owned subsidiary of Motorola.

22 The Macrovision - Motorola Copy Protection License Agreement

23 13. On or about September 9, 1998, Macrovision and Motorola entered into a
24 confidential Copy Protection Technology License Agreement (the "Motorola License
25 Agreement"), by which Motorola was granted the right to incorporate the Macrovision Anti-Copy
26 Technology into Motorola digital video compression systems in set top boxes, for sale to operators
27 of pay-per-view programming. In particular, Macrovision granted to Motorola the non-exclusive
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1 rights to: (a) purchase from authorized suppliers devices that contain the apparatus for
2 implementing the Process (the "Devices"); (b) incorporate such Devices into Motorola's video
3 decoder and associated software (the "Products") as defined in the Motorola License Agreement;
4 and (c) sell the Products to specified users. The Motorola Licensed Agreement specifically granted
5 to Motorola the rights to incorporate Macrovision-enabled integrated circuits into set top boxes for
6 pay-for-view program transmission and to ship, sell and otherwise distribute such set top boxes.

7 14. In consideration for these rights, Motorola agreed to pay an "Upfront Fee" and
8 Motorola further agreed to pay a "Product Royalty Fee" of sixty-cents (\$0.60) for each unit sold by
9 Motorola incorporating the Macrovision's anti-copy technology. Pursuant to the terms of the
10 Motorola License Agreement, the Product Royalty Fees were and are due within 45 days after the
11 close of each calendar quarter in which such Products have been sold. Furthermore, the Motorola
12 License Agreement specifically provides that any payment not timely shall incur a late charge or
13 interest of eighteen-percent (18%) per annum, from the due date until the date of actual payment.

14 15. The Motorola License Agreement also requires that Motorola keep records
15 reflecting the number of Products sold, and submit certified quarterly reports to Macrovision in a
16 format detailing the Products sold to end-user consumers and system operators, and the amount of
17 royalty due to Macrovision. The quarterly reports are due no later than forty-five days following
18 the close of the calendar quarter covered by the report, at the same time that the quarterly payment
19 of royalty fees is due.

20 16. Under the Motorola License Agreement, Macrovision has the further right to audit
21 the Motorola records to certify compliance with the quarterly reporting and payment requirements.
22 If the audit determines that Motorola has understated the amount due, the additional amount due
23 shall be paid within ten days and Motorola shall reimburse Macrovision for the costs incurred in
24 such audit.

25 17. In the event of a material breach of the Motorola License Agreement by one party,
26 the other party may terminate the agreement upon written notice, with a thirty day period in which
27 the breaching party may remedy the breach. In addition, in the event of an unremedied material
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1 breach by Motorola, the Motorola License Agreement gives Macrovision the right to notify
2 Motorola's Device suppliers that Motorola is no longer an authorized licensee entitled to purchase
3 and use the Devices.

4 Motorola Breaches the Motorola License Agreement with Macrovision

5 14. Beginning in or about 1998, Motorola sold products subject to the Motorola License
6 Agreement, and for a time complied with the requirements of reporting sales and paying royalty
7 fees. While Motorola has continued up to the present time to market and sell products subject to
8 the Motorola License Agreement, in or about mid-2006, Motorola began materially breaching the
9 Motorola License Agreement by failing to submit the required quarterly reports, and by failing to
10 make payment of the royalty fees owed for such period. Thereafter, and to the present time,
11 Motorola has continued to breach material terms of the Motorola License Agreement by failing to
12 supply timely and accurate quarterly reports, and by failing to make payment of the required
13 royalty fees. Despite repeated written notices of these breaches and demands for cure and payment
14 by Macrovision, Motorola has failed and refused to cure its breaches or to make such payments.
15 As a result of its material breach, Motorola is no longer licensed to use any of the four specified
16 patents of the Motorola License Agreement.

17 15. The amount of the past royalties due and owing to Macrovision from Motorola
18 under the Motorola License Agreement from July 1, 2006 up to the present, is in excess of
19 \$9,000,000.00, plus interest at the rate specified in the Motorola License Agreement. Motorola
20 continues to sell Products and continues to incur an obligation to pay royalty fees, which obligation
21 and duty Motorola continues to ignore.

22 18. On or about May 31, 2007, Macrovision once again demanded in writing that
23 Motorola pay the past-due royalty amounts, and further gave Motorola written notice of the
24 material breaches, as described herein, and an opportunity to remedy and cure the breaches by
25 payment of past sums due by close of business July 27, 2007 and to acknowledge that it has an
26 ongoing obligation to report sales and to pay royalties under the terms of the Motorola License
27 Agreement. Motorola has not made such payments, has not remedied the material breaches, and
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1 thus Macrovision has the right to terminate the Motorola License Agreement and all the rights
2 under it.

3 19. The Motorola License Agreement entitles the prevailing party to attorney's fees,
4 reasonable expenses, related litigation and arbitration costs and costs of suit to be paid by the non-
5 prevailing party in any dispute, litigation or arbitration between the parties arising out of or related
6 to the Agreement.

7 The Macrovision Patents

8 20. In addition to the four specific patents referenced in the Motorola License
9 Agreement, Macrovision has been granted additional patents on its anti-copy technology, which
10 have not been licensed to and are being infringed by Motorola.

11 21. On May 24, 1994, United States Patent No. 5,315,448 ("the '448 Patent"), entitled
12 "Copy Protection for Hybrid Digital Video Tape Recording and Unprotected Source Material,"
13 was duly and legally issued by the United States Patent and Trademark Office ("USPTO") to
14 Macrovision by assignment from the named inventors. A copy of the '448 Patent is attached as
15 Exhibit A.

16 22. On December 10, 1996, United States Patent No. 5,583,936 ("the '936 Patent"),
17 entitled "Video Copy Protection Process Enhancement to Introduce Horizontal and Vertical Picture
18 Distortions," was duly and legally issued by the USPTO to Macrovision by assignment from the
19 named inventors. A copy of the '936 Patent is attached as Exhibit B.

20 23. On April 30, 2002, United States Patent No. 6,381,747 B1 ("the '747 Patent"),
21 entitled "Method for Controlling Copy Protection in Digital Video Networks," was duly and
22 legally issued by the USPTO to Macrovision by assignment from the named inventors. A copy of
23 the '747 Patent is attached as Exhibit C.

24 24. On February 4, 2003, United States Patent No. 6,516,132 B1 ("the '132 Patent"),
25 entitled "Method and Apparatus for Improving the Effects of Color Burst Modifications to a Video
26 Signal," was duly and legally issued by the USPTO to Macrovision by assignment from the named
27 inventors. A copy of the '132 Patent is attached as Exhibit D.

25. On December 28, 2004, United States Patent No. 6,836,549 ("the '549 Patent"), entitled "Method and Apparatus for Synthesizing and Reducing the Effects of Video Copy Protection Signals," was duly and legally issued by the USPTO to Macrovision by assignment from the named inventors. A copy of the '549 Patent is attached as Exhibit E.

26. On May 23, 2006, United States Patent No. 7,050,698 ("the '698 Patent"), entitled "Method and Apparatus for Synthesizing or Modifying a Copy Protection Signal Using a Lowered Signal Level Portion," was duly and legally issued by the USPTO to Macrovision by assignment from the named inventors. A copy of the '698 Patent is attached as Exhibit F.

27. On August 1, 2006, United States Patent No. 7,085,380 ("the '380 Patent"), entitled "Method for Modifying a Copy Protected Video Signal With a Negative Amplitude Pulse," was duly and legally issued by the USPTO to Macrovision by assignment from the named inventors. A copy of the '380 Patent is attached as Exhibit G.

28. The '448 Patent, '936 Patent, '747 Patent, '132 Patent, '549 Patent, '698 Patent, and '380 Patent are referred to collectively herein, where appropriate, as "the Macrovision Patents."

29. Macrovision is informed and believes, and based thereon alleges, that Motorola uses, manufactures, has manufactured, promotes, sells, offers for sale, imports, and/or distributes, either on its own or through its agents, set-top boxes, which include but are not limited to cable and satellite receivers, and digital consumer terminals and the like, and/or integrated circuits incorporated into such set-top boxes, which infringe one or more claims of each of the Macrovision Patents.

WHEREFORE, Macrovision claims as follows:

FIRST CAUSE OF ACTION

(Patent Infringement)

30. Macrovision realleges and incorporates by reference the allegations in Paragraphs 1 through 29 above, as though fully set forth herein.

31. Macrovision is informed and believes, and on that basis alleges, that Motorola has infringed and continues to infringe one or more claims of each of the Macrovision Patents by

1 making, having made, using, importing, offering for sale, and/or selling set-top boxes, which
2 include but are not limited to cable and satellite receivers, and digital consumer terminals and the
3 like, and/or integrated circuits incorporated into such set-top boxes. Motorola's aforementioned
4 activities constitute making, having made, using, selling, importing, offering for sale and/or
5 promoting the use of the patented inventions of the Macrovision Patents by or to customers
6 throughout the United States. Motorola will continue to do so unless enjoined by this Court.

7 32. Macrovision is informed and believes, and on that basis alleges, that Motorola is
8 actively inducing others to infringe, and/or committing acts of contributory infringement of one or
9 more claims of each of the Macrovision Patents through Motorola's activities related to the
10 making, using, selling, importing, and/or offering for sale and promoting use of set-top boxes,
11 which include but are not limited to cable and satellite receivers, and digital consumer terminals
12 and the like, and/or integrated circuits incorporated into such set-top boxes, and which can be both
13 stand-alone components and parts of an integrated system. Motorola's aforementioned activities
14 constitute using, making, selling, importing, and/or offering for sale and promoting use of the
15 patented inventions of the Macrovision Patents by or to customers in the United States, all in
16 violation of 35 U.S.C. § 271.

17 33. Macrovision is informed and believes, and on that basis alleges, that Motorola has
18 made sales of additional products as a direct result of its sales of infringing set-top boxes, including
19 but not limited to cable and satellite receivers, and digital consumer terminals and the like, which
20 consequential and/or "convoyed" sales Motorola would not have made but for its infringing
21 activities, and that Macrovision has suffered a decrease in the price for competing products it has
22 sold or offered for sale as a result of Motorola's infringing activities as set forth herein.

23 34. Macrovision is informed and believes, and on that basis alleges, that Motorola has,
24 and had at the time of its acts of infringement, actual or constructive notice of each of the
25 Macrovision Patents, as well as actual or constructive notice of Motorola's infringement of each of
26 the Macrovision Patents.